

**Cooperative State Research,
Education and Extension Service
Office of Extramural Programs
Awards Management Branch**

REQUIRED BUDGETARY DETAILS

CSREES reviews proposed project costs to make certain those costs are reasonable to the project and allowable per the Office of Management and Budget (OMB) Circular A-110 -- Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; OMB Circular A-21 -- Cost Principles for Educational Institutions; OMB Circular A-122 -- Cost Principles for Non-Profit Organizations; 7 CFR Part 3015 -- USDA Federal Assistance Regulations; 7 CFR 3019 -- Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Organizations, and other statutory regulations as applicable.

To help in this review, as well as to expedite the award process, budgets need to include a narrative detailing the various line items. The categories listed below are examples of some of the more common items found in project budgets. All items should be described in the narrative in sufficient detail that would enable CSREES to determine that the costs are reasonable and allowable for the project per the regulations.

1. **Salaries** – Show CSREES Funded work months that will be charged to the project for which salary is paid by USDA (e.g., 2 PD's listed on line A.1.a. on a 12 month project. One will spend 100% of time (12 months) and one will spend 50% time (6 Months) total work months for A.1.a. would be 18 months). Provide the funded work months for Project Director/Co-Project Director – Senior Associate, Research Associate/Post Doc. and other professionals and the corresponding dollar amounts for the position for the time stated

Profit and Non-Profit organizations salary rates of pay should not exceed an Executive Level IV salary range (currently at \$143,000 a year or \$550 a day) . This rate does not include any fringe benefits, G&A, overhead, or other expenses. Rates exceeding this amount must be justified.

Please note that only persons employed by the recipient organization should be listed in this category. Those employed elsewhere would be listed as subcontractors or consultants in the All Other Direct Costs (AODC) category.

Secretarial and Clerical Salaries - For these salaries to be allowable as a direct charge to the award, a justification of how that person will be directly involved in the project must be included in the narrative. General administrative or accounting duties are not considered acceptable. The duties must be directly related to the project plan.

2. **Fringe Benefits** - Show the total of allowable fringe benefits.

3. **Non-Expendable Equipment** - This category includes items of equipment equal to or in excess of \$5,000 (or lower depending on the institutional policy) and having a useful life of more than one year. Details such as the type of equipment, cost, and a brief narrative on the intended use of the equipment for

project objectives is required. Purchases of less than \$5,000 may be listed under Materials and Supplies or "AODC." Please note that a computer system (keyboard, monitor and hard-drive) would be considered a unit and does not have to be listed separately. If the proposed equipment was previously purchased for the project, a brief narrative should be included to provide a rationale of why new equipment is needed.

Each item of equipment should be listed with the corresponding cost. General purpose equipment (office equipment, etc.) must be justified as to how it will be used on the project. Some items such as passenger carrying vehicles will require a lease vs purchase cost analysis prior to approval. Rental of equipment should be listed under AODC.

Items of equipment approved for purchase for Federal & Matching funds should be listed with the dollar amount of the item on Budget Line D or on an attachment to the Budget.

Fabrication of equipment should be listed under AODC.

Software is not considered to be a –on-expendable Equipment and should not be listed here. It is more appropriately listed under Materials and Supplies.

4. **Materials and Supplies** - This could be anything from office supplies and software to educational or field supplies. For those things that aren't typical materials & supplies, a brief narrative or justification of how the item fits the program should be included. Indicate the types of materials and supplies in general terms with estimated costs. Depending on the accounting practices of the organization, certain types of non-traditional materials and supplies might be listed here (postage, shipping, etc.).

5. **Travel** - Provide information used in estimating the cost such as: the destination if known, purpose, number of travelers, and estimated cost per trip (e.g., St. Louis, Missouri to attend a conference, 2 persons - \$1,000 ea.). This includes all travel paid directly by the grantee organization.

6. **Publications/Page Charges** - This line is associated with the publishing of an article in a scientific or technical journal or other type of field/program related publication or for commercial printing of brochures and program materials. Photocopying costs should be included under the AODC category.

7. **Computer (ADPE) Costs** - Represents the charges associated with the organization's shared computer system (i.e., line charges or computer processing usage costs). Charges for Internet access may be included in this category. Equipment purchases should be listed under "Non-expendable Equipment" or "Materials and Supplies" as appropriate.

8. **Student Assistance/Support** - Includes scholarships, stipends, tuition, etc. Costs should be itemized with a dollar amount provided for each item. The number of students to be supported should be indicated for each item. Obtaining the names of students is not necessary. The institution should submit an itemization of these costs.

9. **All Other Direct Costs (AODC)** - Anticipated direct project charges not included in other budget categories should be included in this category. A description and cost must be included in the budget narrative for each item.

Items in AODC for Federal & Matching funds should be listed with the corresponding dollar amounts on Line J of the Budget or Attachment A. Examples of items are:

a. **Communications** - Mailings, postage, express mail, faxes, and telephone long distance charges. Specific dollar amounts are not required.

b. **Photocopying** - In-house photocopying of materials associated with the program. Photocopying should not be confused with Publications/Page Charges which are costs related to publishing in a journal or commercial printing of brochures and other materials. Specific dollar amounts may not be required.

c. **Subcontracts** - When a portion of the work proposed will be performed by outside sources, a statement of work (proposal), budget and budget narrative from the proposed subcontractor should be submitted. The level of details required for the subcontract budget is the same as the recipient's organization. All funds cannot be allocated to subcontracts as it is expected the awardee organization will have some involvement on the project.

Profit or non-profit subcontractor employee rates of pay should not exceed an Executive Level IV (currently \$143,000 per year or \$550.00 per day). This does not include fringe benefits, G&A or overhead or other expenses. Rates exceeding this amount must be documented.

d. **Consultants** - A consultant is someone who renders expert advice in his/her field. The consultant should not be affiliated with the performing organization. Budget details should include the name of the consultant and his/her organization, a statement of work, and a breakdown of the amount being charged to the project (e.g. number of days of service, rate of pay, travel, per diem, etc.). A resume or vita for each consultant should be included.

Consultant rate of pay should not exceed an Executive Level IV (currently \$143,000 per year or \$550.00 per day). This does not include fringe benefits, G&A or overhead or other expenses. Rates exceeding this amount must be documented.

e. **Service or Maintenance Contracts** - Costs should be in direct correlation to the use of the equipment for the project (i.e., if a particular machine is used 50% of the time for the project, the project should only be charged 50% of the service/maintenance costs). Provide details of the type of equipment and the amount of the service contract to be paid from Federal funds.

f. **Conferences/Meetings** - Costs of holding a conference or meeting are included in this category. Some examples are the rental of facilities and equipment for the meeting, honorariums or fees for trainers or guest speakers and travel and per diem for participants and speakers. Details of costs for each conference or meeting should be broken out and provided in the budget narrative.

Meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost. In contrast, it is CSREES policy that a formal group meeting being conducted in a business atmosphere may charge meals to the project if such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants.

g. **Speaker/Trainer Fees** - Information on speakers should include the fee and a description of the services they are providing.

h. **Honorariums** - Honorariums to persons providing a service are allowable. Provide information regarding the honorarium amount (rate of pay) and a brief statement regarding what the person is doing to earn the honorarium.

i. **Office Rental** - When an office is located off-campus in space not owned by the recipient organization, the cost of the rent may be charged against the award. The budget narrative should provide details on the monthly rental charge and if the rent is pro-rated to the project.

j. **Land-Use Charges** - When there is a charge for using land owned by either the Cooperative Extension Service, the Experiment Station or others for research or demonstration purposes, provide the charge per acre (or other rate charged), number of acres, and total cost.

k. **Fabrication of Equipment** – When the project calls for an item of equipment to be developed vs. purchasing the item, the budget narrative should include a description of the item and its purpose as well as a total cost of the item.

l. **Other/Miscellaneous** - These costs must always be identified in order to be allowed.

10. **Indirect Cost** – If indirect costs are allowable to the program, state the rate used and what the rate has been charged against or what has been excluded from indirect costs. Note, we will calculate your approved negotiated rate against the maximum rate permitted by the program (if different) and will use the rate which results in a lesser dollar amount being charged to the award.

11. **Cost Sharing/Matching** – The same level of details should be provided for required cost-sharing/matching as Federal funds. Matching which is not required should not be included on the budget.

On line Q of the budget form, indicate the total amount (both cash & non-cash) of non-federal cost-sharing or matching support that will be available to the proposed project.

Generally, any matching from the recipient is considered to be cash.

Third Party Matching is any contribution to the project by an organization other than the recipient. Third party matching should be shown in the Non-Federal matching column under AODC. Any Cost Sharing commitments by a 3rd party organization must include a letter signed by the organization's AOR and counter-signed by the recipient organization's AOR in order for it to be accepted as a required match. This letter should also state whether the matching is cash or in-kind. If letter is submitted with the proposal, counter signature by recipient AOR will not be required.

In-kind (non-cash) contributions usually consist of property or services (i.e., Donations of equipment, use of facilities, etc).

Cash Matching- cash received from a 3rd party or cash outlays from the grantee organization (for salaries & wages, materials & supplies, etc.) Reference 7 CFR 3019.2 (Definitions) and OMB Circular A-110.

APPLICABLE REGULATIONS

Federal statutes and regulations which apply to project grants awarded under this program include but are not limited to:

OMB Circular A-110 - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

OMB Circular A-122 - Cost Principles for Non-Profit Organizations.

OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations.

OMB Circular A-21 - Cost Principles for Educational Institutions.

7 CFR 3015 - USDA Uniform Federal Assistance Regulations.

7 CFR 3019 - USDA Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

Copies of the OMB Circulars and USDA Federal Assistance Regulations and applicable to this program may be found at the following web-site: <http://www.csrees.usda.gov/crgam/oep/>